

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES
Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

The Mortgage Zone, Inc.
4700 Richmond Road
Suite 100
Warrensville Heights, Ohio 44128
License No: FL-1708/ SR-0516

Enforcement Case No. 04-2946

Alan Schiff, President,

Respondent.

CONSENT ORDER

Issued and Entered,
This 29th day of September, 2006,
By Richard D. Lavolette,
Chief Deputy Commissioner

Based on the Stipulation set forth above, IT IS ORDERED that:

1. The Mortgage Zone, Inc. ("Respondent") shall CEASE and DESIST from violating Sections 21(1), 21(2), 22(a), 22(b), 22(l), and 23(1) of the MBLSLA and Section 17(1) of the SMLA.
2. Respondent shall pay to the State of Michigan, through the Office of Financial and Insurance Services ("OFIS"), a civil fine in the amount of \$2,000.00. The fine shall be paid on or before 30 days of the date of entry of this order.
3. Respondent shall maintain a program to monitor and assure compliance with all state and federal laws and regulations pertaining to brokering, origination, closing, and servicing of mortgage loans. Respondent shall educate its officers and employees involving the brokering,

origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the Mortgage Brokers, Lenders and Servicers Licensing Act, Secondary Mortgage Loan Act, National Housing Act, Federal Truth-in-Lending Act, Federal Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing and servicing of mortgage loans to attend at least 16 hours of training seminars over the next 12 months. The seminars shall be conducted by persons not employed by Respondent and with recognized experience in the mortgage industry. The instructors for the seminars shall be varied in order to give the officers and employees a broad view of the regulation and operation of the mortgage industry. The seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. Either Respondent or a local or national organization such as the Michigan Mortgage Lenders Association, Michigan Mortgage Brokers Association, National Association of Mortgage Brokers, or the Mortgage Bankers Association of America may organize the seminars. Respondent shall keep a record of the attendance of the officers and employees at the seminars.

The program shall include designation of a compliance officer who will conduct reviews, not less than quarterly, of a sample of files for closed loans and rejected loan applications and assure compliance with all relevant federal and state laws. Respondent shall maintain written reports of the results of its file reviews. The written reports shall be maintained as required by Section 21 of the MBLSLA. Respondent must inform OFIS of the individual designated as compliance officer and if there is any change in the compliance officer, such change shall be reported in writing to OFIS within 30 days of the change.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the MBLSLA and SMLA.



Richard D. Lavolette,
Chief Deputy Commissioner